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FISCAL IMPACT STATEMENT

LS 7141

BILL NUMBER: HB 1366

NOTE PREPARED: Dec 31, 2004

BILL AMENDED:

SUBJECT: Historic sites and in-house projects.

FIRST AUTHOR: Rep. Hoffman

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill increases from \$50,000 to \$75,000 the cost of projects that the Department of Natural Resources (DNR) may perform without awarding a public works contract. It authorizes the donation, exchange, and sale of items contained in the Division of State Museums and Historic Sites' collection. The bill changes the organization of the division's board of trustees. It establishes the Historic Site Fund, and requires money generated by a historic site to be deposited in the fund. It requires at least 51% of the fees collected from a particular historic site to be used for educational programs at the historic site and for maintenance and operation of the historic site. (The introduced version of this bill was prepared by the Natural Resources Study Committee.)

Effective Date: July 1, 2005.

Explanation of State Expenditures: *DNR In-House Construction.* Currently, IC 4-13.6-5-4 limits construction projects that the DNR can complete using DNR employees to those projects that cost less than \$50,000. (IC 4-13-2-11.1 limits the Department of Correction to projects costing less than \$100,000. All other state agencies are limited to \$75,000.) This bill increases the DNR limit from \$50,000 to \$75,000. Raising the limit could increase the number and types of projects that the DNR could complete using its own workforce which could reduce DNR expenditures to the extent that the DNR would not need to contract for additional outside services. DNR's seasonal work cycle would allow staff to complete construction projects during winter months when public visitation to its properties is minimal.

The proposal would not require the DNR to complete all projects under \$75,000, but would provide the DNR with the option to do so. The table below outlines DNR project costs that were bid for 2001 through 2003.

DNR projects could be funded with either state General Fund or dedicated fund revenue.

PROJECTS BID BY DNR						
	LESS THAN \$50,000		\$50,000-\$75,000		GREATER THAN \$75,000	
	Number	Dollars	Number	Dollars	Number	Dollars
2001	61	\$902,279 (4% of total)	8	\$534,326 (2%)	38	\$23,169,810 (94%)
2002	83	\$1,050,852 (6% of total)	10	\$652,778 (3%)	40	\$17,224,920 (91%)
2003	88	\$1,465,330 (10% of total)	11	\$644,328 (4%)	35	\$12,731,280 (86%)
Total	232	\$3,418,461 (6% of total)	29	\$1,831,432 (3%)	113	\$53,126,010 (91%)

Board of Trustees for the Division of State Museums and Historic Sites. The bill changes the composition of the Board of Trustees for the Division of State Museums and Historic Sites; however, the number of trustees remains at 13. The bill specifies that the Governor must make appointments in a manner to achieve diversity and geographic balance among the trustees. A fiscal impact would result only if new members resulted in different reimbursements for mileage. However, this impact is not expected to be significant.

The bill provides that one time each year the board of trustees must elect officers from the membership of the board. The officers must include a chair, vice-chair, and secretary. A board officer serves a term of one year and may be reelected. Under existing law, the trustees must select a vice-chair from their membership for a term of one year. The division director serves as the secretary. This provision should not have a significant impact.

Explanation of State Revenues: *Sale of Artifacts.* This bill provides that the DNR Division of State Museums and Historic Sites may donate or exchange artifacts in the division's collection to or with a public or nonprofit museum, a historical society, a university, or a similar institution. The division may also sell items in the division's collection at auction or public sale. This provision could generate additional revenue for the division. The specific impact is indeterminable.

Historic Site Fund. The bill establishes the Historic Site Fund to provide funding for educational programs and the maintenance and operation of historic sites. The fund must be administered by the division. Expenses of administering the fund must be paid from money in the fund. The Treasurer of State must invest money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Money in the fund at the end of a state fiscal year does not revert to the state General Fund. Money in the fund is annually appropriated to the division. The fund consists of proceeds from sales and leases of historic property administered by the DNR, revenue generated by the sale of artifacts, and other proceeds generated by the historic sites. At least 51% of the money collected from a particular historic site must be used to benefit that site. The amount of revenue that will be generated by these provisions is indeterminable.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: DNR

Local Agencies Affected:

Information Sources: DNR

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